

CONFIDENTIAL SETTLEMENT AGREEMENT AND GENERAL RELEASE OF CLAIMS

This Confidential Settlement Agreement and General Release of Claims ("Agreement") is entered into by and between DC Auto, Inc. dba All Star KIA (the "Company") and Michael Sanders ("Employee") (the Company and Employee are collectively referred to as the "Parties") with respect to the following facts:

A. The Company formerly employed Employee;

B. On or about August 11, 2023, the Employee filed a representative action complaint against Company in San Bernardino County Superior Court, Case No. CIVSB2318716, pursuant to California's Private Attorneys General Act, Labor Code section 2698 et seq. ("PAGA") alleging he and all other aggrieved employees are entitled to civil penalties for the following alleged violations of the California Labor Code: §§ 201, 202, 226, 226.3, 226.7, 246, 510, 512, 558 and 1194 and IWC Wage Order No. 7-2001 (the "Complaint"). Employee also alleged additional individual claims, which are not currently asserted in the Complaint, relating to race and national origin discrimination and retaliation pursuant to the California Fair Employment and Housing Act ("FEHA") (the "FEHA Allegations"). The Company denies each and every allegation of wrongdoing contained in, and relating to, Employee's Complaint and the FEHA Allegations; and

C. The Parties now desire to settle all claims and issues that have been raised, or could have been raised, in relation to Employee's employment with Company, and arising out of or in any way related to the acts, transactions, or occurrences involving Employee, including, but not limited to, Employee's employment with Company or termination of that employment, on the terms as set forth below.

NOW, THEREFORE, in consideration of the promises and obligations set forth in this Agreement, the Parties agree as follows:

1. No Admission of Liability. Nothing in this Agreement shall be construed as an admission by the Company of any wrongdoing, liability, or noncompliance with any federal, state, or local rule, ordinance, statute, common law, or other legal obligation. The Company specifically disclaims and denies any wrongdoing or liability to Employee. Further, this Agreement and its terms shall not be used, referred to, introduced, or attempted to be introduced, for any purpose whatsoever, other than in an action by one of the Parties to enforce the terms of this Agreement.

2. Payment. In consideration of Employee's execution of and compliance with all obligations contained in this Agreement, including Employee's general release of claims and agreement to maintain confidentiality, the Company will pay Employee the gross amount of [REDACTED] (the "Settlement Amount"). The Settlement Amount will be paid by one check made payable to "Gaines & Gaines, APLC Client Trust Account" in the gross amount of [REDACTED], without withholdings or deductions, which the Parties agree represents damages, including but not limited to, emotional distress,

compensatory damages, punitive damages, penalties and costs and attorneys' fees, for which Company will issue "Gaines & Gaines, APLC" a Form 1099-Misc. All attorneys' fees and costs incurred by Employee will be paid from the Settlement Amount. The Settlement Amount will be paid and a fully executed copy of this Agreement will be mailed to Gaines & Gaines, APLC, 4550 Thousand Oaks Blvd., Suite 100, attention Daniel Gaines, Esq., within fifteen (15) calendar days of the Effective Date, provided Employee returns a copy of the Agreement signed by Employee to Company at Heather Stone, Esq., Lagasse Branch Bell + Kinkead, LLP, 4365 Executive Drive, Suite 950, San Diego, California, 92121, hstone@lbbklaw.com, and provided that Employee must also supply Company with an IRS Form W-9 for "Gaines & Gaines, APLC."

3. Indemnification by Employee and No Representation Regarding Tax Issues. Employee agrees and acknowledges that the Company and its counsel have not made any representations to Employee regarding the tax consequences of any payments or amounts received by Employee under this Agreement. Employee hereby agrees Employee is solely responsible for the reporting and payment of all taxes and other related contributions, if any, due as a result of that part of the Settlement Sum paid by the Company to Employee pursuant to this Agreement, and that Employee agrees to indemnify the Company against the payment of any taxes, interest, penalties and other liabilities or costs that may be assessed as a result of his failure to pay taxes due on the Settlement Amount. Employee further agrees and acknowledges that Employee has been properly paid for all hours worked for the Company, that all salary, wages, commissions, bonuses, and other compensation due to Employee have been paid, and that Employee is not owed anything else from the Company other than as provided for in this Agreement.

4. General Release and Waiver of Claims. In exchange for, and conditioned upon the Company's payment of, the consideration provided by the Company in this Agreement, Employee and Employee's heirs, executors, representatives, administrators, agents, and assigns (collectively the "Releasors") irrevocably and unconditionally fully and forever waive, release, and discharge the Company, including the Company's past, present or future parents, subsidiaries, affiliates or related companies – including DBAs, predecessors, successors, joint employers, and assigns, and each of its and their respective agents, officers, directors, employees, shareholders, stockholders, administrators, board members, insurers, attorneys representatives, trustees, and partners (collectively, the "Released Parties"), from any and all claims, demands, contracts, debts, obligations, actions, causes of action, judgments, rights, fees, damages, debts, obligations, liabilities and expenses (inclusive of attorneys' fees) of any kind whatsoever, whether known or unknown, which currently do or may exist, including without limitation any matter, cause or claim arising out of or related to facts and events occurring prior to the execution of this Agreement (collectively, the "Claims"), that the Releasors may have or have ever had against the Released Parties, or any of them, arising out of, or in any way related to, Employee's hire, benefits, employment, termination, or separation from employment with the Company by reason of any actual or alleged act, omission, transaction, practice, conduct, occurrence, or other matter from the beginning of time up to and including the date of Employee's execution of this Agreement, including, but not limited to:

4.1 Any and all claims under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, Rehabilitation Act, the Family and Medical Leave Act, the California Family Rights Act, the Fair Labor Standards Act, the Equal Pay Act, the Age Discrimination in Employment Act, the Employee Retirement Income Security Act, the Civil Rights Act of 1991, Unruh Act, Section 1981 of U.S.C. Title 42, the Fair Credit Reporting Act, the Worker Adjustment and Retraining Notification Act, California Worker Adjustment and Retraining Notification Act, the National Labor Relations Act ("NLRA"), the Uniform Services Employment and Reemployment Rights Act, the Genetic Information Nondiscrimination Act, the Immigration Reform and Control Act, The Immigration and Naturalization Act, the California Fair Employment and Housing Act, California Corporations Code, the California Labor Code or applicable Industrial Welfare Commission Wage Orders and corresponding or related federal laws, the California Consumer Privacy Act, the California Business & Professions Code, penalties under the California Private Attorneys General Act, California New Parent Leave Act, California Healthy Workplace Healthy Families Act, any local ordinance governing paid sick leave, and the California Constitution, (all as amended); the Families First Coronavirus Response Act, the Coronavirus Aid, Relief, and Economic Security Act, the California Supplemental Paid Sick Leave Act, and any other federal, state, or local law or regulation related to COVID-19; including any amendments and their respective implementing regulations, and any other federal, state, local, or foreign law (statutory, regulatory, or otherwise) that may be legally waived and released;

4.2 Any and all claims arising under tort, contract, or quasi-contract law, including but not limited to claims of breach of an express or implied contract, tortious interference with a contract or prospective business advantage, breach of the covenant of good faith and fair dealing, promissory estoppel, detrimental reliance, invasion of privacy, nonphysical injury, personal injury or sickness, or any other harm, wrongful or retaliatory discharge, fraud, defamation, libel, slander, misrepresentation, false imprisonment, and negligent or intentional infliction of emotional distress; and

4.3 Any and all claims for monetary or equitable relief, including but not limited to attorneys' fees and costs, back pay, front pay, reinstatement, overtime compensation, commissions, bonuses, missed meal and break period premiums, benefits, medical expenses, business expenses, severance, experts' fees, medical fees or expenses, costs and disbursements, punitive damages, liquidated damages, and penalties.

4.4 This General Release is not intended to bar any claims that, by law, may not be waived, such as claims for workers' compensation benefits, unemployment insurance benefits, and statutory indemnity. In addition, this General Release does not prevent Employee from contacting, providing information to, or filing a charge with any federal, state, or local government agency or commission, including but not limited to the Equal Employment Opportunity Commission ("EEOC"), the Securities and Exchange Commission ("SEC"), or the National Labor Relations Board ("NLRB"). Employee is prevented, however, to the maximum extent permitted by law, from obtaining any monetary or other personal relief for any of the claims that Employee has released in this Paragraph 4 and its subparts with regard to any charge or claim that Employee may file

or which may be filed or otherwise brought on Employee's behalf. Nothing in this Agreement is intended to or shall be interpreted: (i) to restrict or otherwise interfere with Employee's obligation to testify truthfully in any forum; or (ii) to restrict or otherwise interfere with Employee's right and/or obligation to contact, cooperate with, provide information to, or participate in any investigation by any government agency or commission (including but not limited to the EEOC, SEC, or NLRB). Nothing in this Agreement may be construed to interfere with, restrain, or coerce employees in the exercise of their rights under the NLRA.

5. No Voluntary Participation in Claims Against Released Parties. Employee represents that, as of the date of this Agreement, neither Employee nor, to Employee's knowledge, any person or entity on Employee's behalf, has filed any lawsuits, charges, complaints, petitions, claims, or other accusatory pleadings against Company or any of the other Released Parties in any court or with any governmental agency other than the Complaint. Employee further agrees that Employee will not voluntarily participate in any other individual's litigation, grievance, or administrative claim against any of the Released Parties, nor encourage any other individual to pursue any litigation, grievance, or administrative claim against any of the Released Parties. To the extent permitted by law, Employee further covenants that he will bring no further claims against Company pursuant to PAGA either on an individual or representative basis on behalf of other allegedly aggrieved employees. Employee further represents he has not assigned, transferred, or purported to assign or transfer to any other person or entity any claims released and discharged in this Agreement, and no other person or entity has any interest in the claims released and discharged in this Agreement. Employee will not assist any person or entity in initiating, bringing, filing, prosecuting, or pursuing claims, demands, causes of action, charges, complaints, or grievances against the Company or other Released Parties, unless under a subpoena or other court order to do so. This Agreement and the promises contained herein shall constitute a bar to all future claims, demands, obligations, or causes of action against the Company or other Released Parties with respect to the matters being released herein.

6. Section 1542 of the California Civil Code. This Agreement is intended to be effective as a general release of and bar to all claims as stated in Section 4. The Releasors specifically waive the protections of California Civil Code Section 1542, which states: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY." Employee acknowledges that Employee may later discover claims or facts in addition to or different from those which Employee now knows or believes to exist with regard to the subject matter of this Agreement, and which if known or suspected at the time of executing this Agreement may have materially affected its terms. Nevertheless, the Releasors waive any and all claims that might arise as a result of such different or additional claims or facts.

7. Stipulation of Dismissal.

7.1 Employee shall immediately dismiss any claims and/or charges or complaints filed against the Company based on events occurring prior to the date of execution of this Agreement with any state or federal administrative agency, including the Civil Rights Department ("CRD") and Equal Employment Opportunity Commission ("EEOC").

7.2 Employee further agrees to sign and file a Request for Dismissal of the Complaint, with prejudice as to Employee's individual claims and without prejudice as to the representative PAGA claims, within ten (10) days of receipt of the Settlement Payment. The Court's dismissal of the Complaint in its entirety is a condition on Employee's entitlement to the Settlement Payment under this Agreement. Should the Court fail or refuse to grant the request for dismissal, this Agreement is null and void and Employee agrees to return the Settlement Payment, in its entirety, to the Company. Employee represents that Employee has not filed with any court, administrative agency, or arbitral forum any action or claim against Employer other than the Complaint. Employee shall lodge a redacted copy of this Agreement (i.e. with the monetary amounts in paragraph 2 above blacklined) to: (1) the Court in connection with the Request for Dismissal and (2) to the California Labor and Workforce Development Agency ("LWDA") via the LWDA's online portal.

7.3 Employee waives and releases any right(s) Employee may have to bring, join, participate in, claim, or recover any award of money or other damages in any complaint against the Company or any of the Released Parties, whether brought by Employee, an administrative agency, or any other person on Employee's behalf, or which includes Employee in any class or representative action (i.e., PAGA). Employee expressly intends, to the fullest extent permitted by law, for this Agreement to resolve fully and finally all claims against the Company and/or the Released Parties.

7.4 Employee understands, acknowledges, and agrees that as an express condition of this Agreement, Employee and/or Employee's Counsel represent and agree they will not further pursue the PAGA action identified in the Complaint against the Company and/or Released Parties. Employee and his Counsel's agreement to forego the PAGA action and not further pursue the representative PAGA action identified in the Complaint, either with Employee and/or a substitute representative, is a material term to this Agreement, without which a settlement would not be reached.

7.5 Nothing in this Agreement shall affect the U.S. Equal Employment Opportunity Commission's (EEOC) or the California Civil Rights Division's (CRD) rights and responsibilities to enforce Title VII of the Civil Rights Act of 1964, as amended, the Fair Employment and Housing Act, or any other applicable law. Significantly, however, if the EEOC, CRD, or any other state, federal or local government entity, or any other individual, attorney, commences a lawful investigation, issues a complaint or brings a claim on Employee's behalf, Employee specifically waives and releases his right, if any, to recover any monetary or other benefits of any sort whatsoever arising from any such investigation or complaint.

8. Confidentiality.

8.1 Employee agrees not to disclose to others the existence or facts or terms of this Agreement, except that Employee may disclose this Agreement to the Employee's spouse, domestic partner, attorney, and tax advisor, if these individuals agree not to disclose to others the existence or terms of this Agreement, to the extent allowed under the law. Employee understands that consistent with this confidentiality provision, Employee may not release, market, advertise, circulate, or publicly report the fact or terms of this Agreement or the Settlement Sum in any fashion, including verbally, in writing, or electronically; Employee may only disclose that "the matter has been resolved," or words to that effect.

8.2 Permitted Disclosures. Nothing in this Agreement shall be construed to prevent disclosure of Confidential Information as may be required by applicable law or regulation, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation, or order. Employee shall promptly provide written notice of any such order to the Company at Heather Stone, Esq., Lagasse Branch Bell + Kinkead, LLP, 4365 Executive Drive, Suite 950, San Diego, California, 92121, hstone@lbbklaw.com. Nothing in this Agreement prevents or restricts the disclosure of factual information relating to claims filed in a civil or administrative action regarding sexual assault or battery, harassment, or discrimination based on a legally protected characteristic, failure to prevent workplace harassment or discrimination, or retaliation against a person for reporting or opposing unlawful harassment or discrimination. Furthermore, nothing in this Agreement prohibits or restricts Employee's testimony in an administrative, legislative, or judicial proceeding, as requested by court order, subpoena, or written request from an administrative agency or the legislature, regarding alleged criminal conduct or alleged sexual harassment. Further, this Agreement in no way prohibits or is intended to restrict any protected rights under Section 7 of the NLRA or otherwise prohibit disclosing information as permitted by law.

9. Non-Defamation. Employee agrees and covenants not to make any remarks that are maliciously untrue and made with knowledge of their falsity with reckless disregard for their truth or falsity (i.e., defamatory) to the media, general public, or any other person or entity about the Company or any of the Released Parties.

10. Return of Property. Employee represents that Employee has returned all the Company's property.

11. Neutral Reference. In response to a request for reference, and consistent with Company policy, the Company will only provide Employee's job title and dates of employment.

12. ADEA Release, Effective Date, and Revocation. The General Release includes a release of claims arising under the Age Discrimination in Employment Act ("ADEA"), as amended by the Older Workers Benefit Protection Act ("OWBPA") and its implementing regulations. By signing this Agreement, Employee acknowledges and

confirms that Employee: (i) has read and understood this Agreement; (ii) by this Agreement, has been advised in writing to consult with an attorney of Employee's choice, and has consulted with an attorney before signing this Agreement; (iii) knowingly, freely, and voluntarily agrees to all of the terms and conditions in this Agreement, including, without limitation, the General Release; (iv) has received good and valuable consideration for signing this Agreement, which is in addition to anything of value Employee was otherwise entitled to receive; (v) was given at least twenty-one (21) days to consider the terms of this Agreement and consult with counsel, but may sign it before the 21 days expire; (vi) has seven (7) days after signing this Agreement to revoke the Agreement by delivering a notice of revocation to the Company at Heather Stone, Esq., Lagasse Branch Bell + Kinkead, LLP, 4365 Executive Drive, Suite 950, San Diego, California, 92121, before the end of this seven-day period; and (vii) understands that the General Release does not apply to rights and claims that may arise after Employee signs this Agreement.

If Employee does not revoke this Agreement, the Agreement becomes effective on the eighth day after Employee signs it (the "Effective Date"). No part of this Agreement is effective or enforceable until the Effective Date.

13. Successors and Assigns. This Agreement is binding on Employee's heirs, family members, executors, agents, and assigns.

14. Governing Law, Jurisdiction, and Venue. This Agreement and all matters arising out of or relating to this Agreement and Employee's employment by the Company, whether sounding in contract, tort, or statute, for all purposes shall be governed by and construed in accordance with the laws of the state of California without regard to any conflict of laws principles that would require the laws of any other jurisdiction to apply.

15. Attorneys' Fees and Costs. The Parties agree that each party shall pay for their own attorney's fees and expenses related to all claims and issues in this matter. In the event of any dispute, controversy, claim, or action arising out of or related to this Agreement, the prevailing Party shall be entitled to recover its reasonable attorneys' fees and costs incurred in connection with the dispute, controversy, claim, or action.

16. Entire Agreement. Unless specifically provided herein, this Agreement contains all of the understandings and representations between the Company and Employee relating to the subject matter in this Agreement and supersedes all prior and contemporaneous understandings, discussions, agreements, representations, and warranties, both written and oral, regarding such subject matter; provided, however, that nothing in this Agreement modifies, supersedes, voids, or otherwise alters any arbitration, confidentiality, nondisclosure, or related agreements signed by Employee during Employee's employment with Company, which remain in full force and effect. In the event of any inconsistency between this Agreement and any other agreement between Employee and Company, the statements in this Agreement shall control. This Agreement may not be modified, except in a writing signed by both Parties.

17. Severability. If any provision of this Agreement is found by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, or enforceable only if modified, such finding shall not affect the validity of the remainder of this Agreement, which shall remain in full force and effect and continue to be binding on the Parties.

18. Interpretation. Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience, and no provision of this Agreement is to be construed by reference to the caption or heading of any section or paragraph. This Agreement shall not be construed against either Party as the author or drafter of the Agreement.

19. Counterparts. The Parties may execute this Agreement in counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument. The Parties also agree that a facsimile or scanned copy of the signed Agreement shall have the same force and effect as an original signed Agreement. The Parties further agree that DocuSign, or other electronic signature technology, may be used to expedite the execution of this Agreement pursuant to California Civil Code section 1633.7. Electronic signatures shall be deemed originals.

20. Acknowledgment of Full Understanding. EMPLOYEE ACKNOWLEDGES AND AGREES THAT EMPLOYEE HAS FULLY READ, UNDERSTANDS, AND VOLUNTARILY ENTERS INTO THIS AGREEMENT. EMPLOYEE ACKNOWLEDGES AND AGREES THAT EMPLOYEE HAS HAD AN OPPORTUNITY TO ASK QUESTIONS AND CONSULT WITH AN ATTORNEY OF EMPLOYEE'S CHOICE BEFORE SIGNING THIS AGREEMENT. EMPLOYEE FURTHER ACKNOWLEDGES THAT EMPLOYEE'S SIGNATURE BELOW IS AN AGREEMENT TO RELEASE THE COMPANY FROM ANY AND ALL CLAIMS THAT CAN BE RELEASED AS A MATTER OF LAW.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Execution Date above.

DC Auto, Inc.

Dated: 12-13-2023

Signature: 
Name: David Choi
Title: President

Michael Sanders

Dated: 12 / 12 / 2023

Signature: 